

VZCZCXYZ0007
OO RUEHWEB

DE RUEHUL #1377/01 1150819
ZNY CCCCC ZZH
O 250819Z APR 06
FM AMEMBASSY SEOUL
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7522
INFO RUEHBJ/AMEMBASSY BEIJING 0542
RUEHMO/AMEMBASSY MOSCOW 7270
RUEHKO/AMEMBASSY TOKYO 0622
RHMFISS/COMUSKOREA J2 SEOUL KOR
RHMFISS/COMUSKOREA J5 SEOUL KOR
RHMFISS/COMUSKOREA SCJS SEOUL KOR
RHEHNSC/NSC WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC//OSD/ISA/EAP//

C O N F I D E N T I A L SEOUL 001377

SIPDIS

SIPDIS

EAP/K PASS USTR

E.O. 12958: DECL: AFTER KOREAN REUNIFICATION
TAGS: [PREL](#) [PHUM](#) [PNUC](#) [KS](#) [KN](#)
SUBJECT: A/S HILL'S APRIL 13 MEETINGS WITH CHUNG
DONG-YOUNG, PARK GEUN-HYE

Classified By: Pol M/C Joseph Yun. Reasons 1.4 (b/d).

SUMMARY

¶1. (C) In separate meetings April 13, EAP A/S Christopher R. Hill discussed the status of Six Party Talks and U.S.-ROK relations with the leaders of Korea's two main political parties. Chung Dong-young, Chairman of the ruling Uri Party and former Minister of Unification, expressed concern that the confluence of U.S. actions at the Six Party Talks and on illicit activities gave the impression of a hardening in the U.S. position. Park Geun-hye, Chairwoman of the Grand National Party (GNP), stressed the importance of a unified U.S.-ROK approach to North Korea, saying that the allies must not let the North Korea issue harm our bilateral relationship. On other issues, Chung told A/S Hill that there was some concern within the ruling party that the ROKG was rushing into FTA negotiations against the deadline set by the expiration of U.S. TPA authority. He suggested that inclusion of Kaesong-made products could persuade skeptics to support the trade agreement. END SUMMARY.

¶2. (SBU) A/S Hill was accompanied to both meetings by the Ambassador and NSC Asia Director Victor Cha. Chung was joined by Reps. Chae Su-chan and Suh Hae-sook. Park was accompanied by Amb. Lee Jai-chun, GNP International Relations Committee Chairman, and Rep. Yoo Jung-bok, Chief of Staff to the Chairwoman.

NORTH KOREA

¶3. (C) In separate meetings April 13, A/S Hill briefed Uri Chairman Chung and GNP Chairwoman Park on his meetings in Tokyo on the margins of the April 11-12 Northeast Asia Cooperative Dialogue (NEACD) conference. He had good meetings with ROK counterparts, noting the usefulness of the U.S.-ROK-Japan trilateral meeting. All five parties had delivered a single message: It was incumbent upon North Korea to return to the Six Party Talks. A/S Hill expressed disappointment that the North Koreans had proved unprepared to discuss a return to the Talks. He acknowledged that other parties had pressed for him to meet bilaterally with the DPRK's VFM Kim Gye-gwan, but that he had declined as Pyongyang's track record suggested that such contact at this time was unlikely to be productive. A/S Hill stated that Washington continued to hope to solve the nuclear issue

through the Six Party Talks, but underscored that patience was running out. He stressed that we must continue to press Beijing to lean on Pyongyang.

¶4. (C) Chung agreed that Pyongyang's truculence was disappointing. It had been seven months since the parties had agreed to the September 19 Joint Statement. The parties should be implementing the agreement, but instead we were forced to waste time standing still. Chung observed that A/S Hill's refusal to meet with VFM Kim, along with continuing U.S. action on illicit activities, was creating the impression that Washington was not only shunning North Korea but was moving to assume a threatening stance.

¶5. (C) Separately, GNP Chairwoman Park expressed her full support for the U.S. approach to the North Korean nuclear issue, human rights, and illicit activities. She stressed the importance of the bilateral and trilateral relationships among Washington, Seoul, and Tokyo, noting that Pyongyang sought to exploit any differences among the three. She remarked that, during a visit to Tokyo the previous month, she had been struck by the fact that Japanese leaders agreed with her views on North Korea, while current South Korean leaders did not. Park observed that if the international community were to speak with one voice that integration was the only way for the North Korean regime to survive, the problem would be resolved sooner than expected. Park speculated that differences in opinion between Washington and Seoul were encouraging Pyongyang to defer its return to the Six Party Talks. She also criticized the Roh Administration for its silence on human rights abuses in North Korea and the regime's counterfeiting activities. She vowed that the ROKG's approach to North Korea would be better aligned with the USG's if and when her party won the presidency in 2007.

(NOTE: Park is a front-runner to be the GNP's nominee in the December 2007 presidential race. Her main challenger within the party at this point is Seoul Mayor Lee Myung-bak. END NOTE.)

¶6. (C) A/S Hill told Park that it was important not to allow problems with the DPRK to weaken the U.S.-ROK relationship. He said that the biggest difference between Washington and Seoul was that the ROKG sometimes wanted dialogue for the sake of dialogue, while Washington wanted results. He also noted that the media's penchant for exaggerating differences contributed to needless misunderstandings. A/S Hill expressed concern that other issues, such as the re-examination of the USFK/CFC/UNC command structure and FTA negotiations, could further strain bilateral relations.

FTA, KAESONG

¶7. (C) Asked to comment on the ruling party's stance on a U.S.-ROK FTA, Chung stated that there was consensus that an FTA was necessary and useful. That said, reflecting public opinion, many in the ruling party bridled under the pressure and sense of haste imposed by the March 2007 deadline for completing negotiations. Given that there were more than 12,000 items to be covered by the U.S.-ROK FTA, the Korean public needed to feel that the country had had sufficient time to prepare for and conduct negotiations. Aside from rice, Chung noted that Koreans would be particularly concerned that an FTA could "destroy" the ROK's public education and public health care systems. He acknowledged that because the debate over the FTA would be divisive, the Uri Party would not conduct formal intra-party discussions of the FTA until after the May 31 nation-wide local elections.

¶8. (C) Continuing, Chung said that he would lead a delegation of about 100 Uri lawmakers on a visit to the Kaesong Industrial Complex (KIC) at the end of April. He offered his "personal opinion" that inclusion of KIC-made products under the terms of a U.S.-ROK FTA would be very persuasive to those Uri lawmakers currently opposed to the FTA. Many Uri members believed that KIC-made products should be included in the FTA not just for political, but also for

economic reasons. After all, if Korean companies were unable to get their KIC-made products to U.S. and EU markets, it would limit the KIC's potential. Chung asserted that we needed to create a situation in which Kim Jong-il came to see KIC as integral to his regime's survival. He claimed that, under the ROK Constitution, Kaesong, along with the rest of the DPRK, was part of the ROK. Responding to A/S Hill's query, Chung stated that ROK companies were attracted to KIC for three reasons: physical proximity, shared language and culture with North Korean workers, and low monthly wages of about USD 57 per month. He predicted that, if the nuclear issue were solved, South Korean companies would flood into KIC. A/S Hill noted U.S. concerns about the KIC, especially the issue of wage rates and whether these would constitute an unfair labor practice or even a human rights issue.

VERSHBOW